

**UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

IN RE:	:
	:
RAVEENDRANATH VAYLAY	: CHAPTER 7
	:
	:
Debtor	: CASE No. 1-22-01949-HWV

	:	COMPLAINT
LISA A. RYNARD, ESQ., CHAPTER 7	:	
TRUSTEE	:	SALE OF CO-OWNER INTEREST
	:	UNDER §363(h)
Plaintiff	:	
vs.	:	
	:	ADVERSARY NO.
KANTHYSREE VAYLAY	:	
	:	
Defendant	:	

COMPLAINT

COMES NOW, Plaintiff, Lisa A. Rynard, the duly appointed Chapter 7 Bankruptcy Trustee in the above referenced case ("Trustee"), by her counsel, Law Office of Lisa A. Rynard, and files this Complaint against Defendant, Kanthysree Vaylay ("Defendant"), to obtain authority to sell both the estate's interest and the interests of the Defendant in Debtor's certain real estate, to recover damages for unjust enrichment, and in the alternative, for partition. In support of this Complaint, the Trustee states as follows:

PARTIES

1. The Trustee/Plaintiff is Lisa A. Rynard, Chapter 7 Trustee, an adult individual, with a business address of Law Office of Lisa A. Rynard, 240 Broad Street, Montoursville, Lycoming County, Pennsylvania 17754.

2. The Defendant is Kanthysree Vaylay, an adult individual, residing at 567 Lucinda Lane, Mechanicsburg, Cumberland County, Pennsylvania 17055.

JURISDICTION

3. This Court has jurisdiction over this adversary proceeding under the provisions of 28 U.S.C. Section 1334.

4. This adversarial proceeding is brought pursuant to F.R.B.P. 7001-7004 and 11 U.S.C. Section 363(h) of the Bankruptcy Code.

5. This is a core proceeding.

6. Trustee/Plaintiff consent to the entry of final orders or judgments by the Bankruptcy Court.

COMPLAINT

7. Raveendranath Vaylay ("Debtor") filed a Chapter 11 Sub Chapter V proceeding in the Middle District of Pennsylvania on October 10, 2022 to case No. 1-22-01949-HWV.

8. Debtor's Sub Chapter V case was converted to a case under Chapter 7 on July 2, 2024.

9. Plaintiff, Lisa A. Rynard, Esquire, was appointed as Chapter 7 Trustee on July 2, 2024. Plaintiff had previously served as the Sub Chapter V Trustee.

COUNT I

10. At the time he filed his Bankruptcy Petition, Debtor owned certain commercial real estate located 567 Lucinda Lane, Mechanicsburg, Cumberland County, Pennsylvania 17055 (the "Real Property") jointly with Defendant.

11. Defendant resides in the property.

12. As of the time and commencement of the above-referenced bankruptcy case, Debtor held and continues to hold an undivided interest in the Real Property as a tenant in common, joint tenant, or tenant by the entirety.

13. The property is a component of a multi-property sales plan that will generate a generous carve out for unsecured creditors.

14. Partition in kind of the Real Property among the estate and its co-owner is impracticable.

15. Sale of the estate's undivided interest in the Real Property would realize significantly less for the estate than sale of such property free of the interest of the Defendant.

16. The benefit to the estate of a sale of the Real Property free of the interest of the Defendant outweighs the detriment, if any, to the Defendant.

17. The Real Property is not used in the production, transmission, or distribution, for sale, of electric energy or of natural or synthetic gas for heat, light, or power.

18. Defendant has failed to provide any compensation to Debtor's bankruptcy estate with regard to the Real Property.

19. The Trustee is entitled to sell both the Debtor's estate's interest and the interest of the Defendant in order to benefit the estate and Debtor's creditors.

WHEREFORE, Plaintiff, Lisa A. Rynard, Trustee, requests that this Court enter judgment in her favor and against Defendant, Kanthysree Vaylay:

a. authorizing the Trustee to sell both the estate's interest and the interest of Defendant in the Real Property for the benefit of Debtor's bankruptcy estate and Debtor's creditors; and

b. awarding the Trustee such further relief as the Court deems equitable and just.

COUNT II

20. Plaintiff incorporates by reference Paragraphs 1 through 19 of this Complaint.

21. Defendant is liable to the Trustee for the just and reasonable value of the benefits she has received through the possession and use of the Real Property.

22. The Defendant has been and continues to be unjustly enriched by possessing and utilizing the Real Property.

23. The Trustee is entitled to recover from Defendant the reasonable value of her possession and use of the Real Property.

WHEREFORE, the Trustee requests that the Court enter judgment in her favor and against Defendant Kanthysree Vaylay in an amount equal to the value of her possession and use of the Real Property, which value exceeds the sum of \$10,000.00.

COUNT III (In the Alternative)

24. Plaintiff incorporates by reference Paragraphs 1 through 13 and 20 through 23 of this Complaint.

25. Debtor's interest in the Real Property is a valuable asset of the bankruptcy estate.

26. Defendant's failure to agree to the sale of the Real Property or to purchase Debtor's interest, deprives the estate and its creditors of a valuable asset and thereby causes the estate substantial harm.

27. To the extent the Trustee is unable to obtain authority to sell the Real Property for the benefit of Debtor's creditors and divide sale proceeds between the estate

and Defendant, the Trustee is entitled to partition and valuation of the estate's interest in Real Property.

28. Defendant is liable to the estate for approximately one half of the value of the Real Property.

WHEREFORE, Plaintiff, Lisa A. Rynard, Trustee, requests that this Court enter an Order:

- a. entering judgment in favor of the trustee against Defendant for the value of the Debtor's interest in the Real Property;
- b. directing Defendant to purchase the estate's interest in the real Property; and
- c. granting to the Trustee such further relief as the Court deems equitable and just.

Respectfully submitted,

LAW OFFICE OF LISA A. RYNARD

By: /s/ Lisa A. Rynard
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Dated: October 3, 2024